

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 59/MP/2016**

**Coram:**

**Shri Gireesh B. Pradhan, Chairperson**

**Shri A.K. Singhal, Member**

**Shri A.S. Bakshi, Member**

**Dr. M.K Iyer, Member**

**Date of Hearing: 14.06.2016**

**Date of Order : 18.11.2016**

**In the matter of**

Petition under sub-section (4) of section 28 of Electricity Act 2003 read with Regulation 6 & Regulation 29 of Central Electricity Regulatory Commission (Fees & charges of Regional Load Despatch Centre and other related matters) Regulations, 2015 for approval of Performance Linked Incentive for WRLDC for the financial year 2014-15 with reference to WRLDC Charges for the control period 1.4.2014 to 31.3.2019.

**And**

**In the matter of**

Western Regional Load Despatch Centre  
F-3, MIDC Area, Marol, Andheri East,  
Mumbai-93

**....Petitioner**

**Vs**

1. Managing Director, MSEDCL,  
Prakashgadh, 5th Floor, Bandra East,  
Maharashtra Mumbai-400 051

2. Managing Director, GUVNL,  
Sardar Patel Vidyut Bhawan Race Course,  
Gujarat Vadodra-390 007

3. Managing Director, MP Power Management Co. Ltd.,  
3<sup>rd</sup> Floor, Block No. 11, Shakti Bhawan, Rampur,  
Madhya Pradesh-482 008

4. Managing Director, CSPDCL,  
PO-Sunder Nagar Chhattisgarh Raipur,  
Dangania-492 013
5. Secretary (Power), Electricity Department,  
UT of Daman & Diu, Sachivalaya,  
Daman & Diu Moti Daman-396210
6. Secretary (Power), UT of Dadra Nagar & Haveli,  
Secretariat, Electric Department, 66 kV Amli Road,  
Dadra Nagar & Haveli Silvassa-396 230
7. Managing Director, ESSAR STEEL INDIA LIMITED,  
27th KM, Surat Hazira Road,  
Gujarat Surat-394 270
8. Chief Electrical Engineer, Goa Electricity Department,  
Government of Goa, 3rd Floor, Vidyut Bhawan, Panjim,  
Goa-403 001
9. General Manager, Bhadravathu HVDC, Power Grid Corprn. of India Ltd.,  
Sumthana Village, Bhadravathi (Tahsil), Bhadravathi, Chandrapur (Dist)  
Maharashtra-442 902
10. General Manager, Vindhyanchal HVDC, Power Grid Coprn. of India Ltd.  
P.O. Vindhyanagar, P. Box. No. 12, Singrauli (Dist),  
Madhya Pradesh-486 885
11. General Manager, Korba STPS STG (I&II),  
NTPC Ltd., P.O.: Vikas Bhawan, Jamnipali, Korba (District),  
Chhattisgarh-495 450
12. General Manager, Korba STPS STG (III),  
NTPC Ltd., P.O.: Vikas Bhawan, Jamnipali, Korba (Dist),  
Chhattisgarh-495 450
13. General Manager, VSTPS-STAGE-I, Vindhyachal STPS,  
NTPC Ltd., P.O.: Vidhyanagar, Sidhi (Dist),  
Madhya Pradesh-486 885

14. General Manager, VSTPS-STAGE-II, Vindhyachal STPS, NTPC Ltd., P.O.: Vidhyanagar, Sidhi (Dist), Madhya Pradesh-486 885
15. General Manager, VSTPS-STAGE-III, Vindhyachal STPS, NTPC Ltd., P.O.: Vidhyanagar, Sidhi (Dist), Madhya Pradesh-486 885
16. General Manager, VSTPS-STAGE-IV, Vindhyachal STPS, NTPC Ltd., P.O.: Vidhyanagar, Sidhi (Dist), Madhya Pradesh-486 885
17. General Manager, VSTPS-STAGE-V, Vindhyachal STPS, NTPC Ltd., P.O.: Vidhyanagar, Sidhi (Dist), Madhya Pradesh-486 885
18. General Manager, Kawas Gas Power Project, NTPC Ltd., P.O. Aditya Nagar, Surat, Gujarat-394 516
19. General Manager, Gandhar Gas Power Project, NTPC Ltd., P.O.:NTPC Township, Bharuch (Dist), Gujarat-392 215
20. General Manager, SIPAT TPS Stg-I, NTPC Ltd., SIPAT, Chhattisgarh-495 558
21. General Manager, SIPAT TPS Stg-II, NTPC Ltd., SIPAT, Chhattisgarh-495 558
22. General Manager, Mouda STPP Stage-I, NTPC Ltd., Mouda Ramtek Road, P.O. Mouda, Nagpur (Dist), Maharashtra
23. General Manager, Mouda STPP Stage-II, NTPC Ltd., Mouda Ramtek Road, P.O. Mouda, Nagpur (Dist), Maharashtra

24. General Manager, 2 X 135 MW Kasaipali Thermal Power Project, ACB (India) Ltd. District-Korba Chhattisgarh, Chakabura-495 445
25. General Manager, Bharat Aluminium Co. Ltd., Captive Power Plant-II, BALCO Nagar Chhattisgarh Korba-495 684
26. Executive Director, Coastal Gujarat Power Ltd. (CGPL-UMPP), Tunda Vandh Road, Tunda Village, Mundra, Gujarat Kutch-370 435
27. Executive Director, DB Power, Village-Baradarha, Post-Kanwali, Dist-Janjgir, Champa, Chhattisgarh Baradarha-495 695
28. Executive Director, Jindal Power Ltd. Stg-I, OP Jindal STPP, PO-Tamnar, Gjarghoda Tehsil, Chhattisgarh District-Raigarh, 496 107
29. Executive Director, Jindal Power Ltd. Stg-II, OP Jindal STPP, PO-Tamnar, Gjarghoda Tehsil, Chhattisgarh District-Raigarh, 496 107
30. Executive Director, DGEN Mega Power Project, Plot No. Z-9, Dahej SEZ Area (Eastern side), At:Dahej, Taluka-Vagra, Dist-Bharuch, Gujarat-392 130
31. Executive Director, EMCO Power Ltd., Plot No. B-1, Mohabala MIDC Growth Center Post Tehsil-Warora, Dist-Chandrapur, Maharashtra-442 907
32. Executive Director, ESSAR POWER MP LTD. Village Bandhora, Post-Karsualal, Tehsil-Mada, Distt. Singrauli, Madhya Pradesh-486 886
33. General Manager, GMR Chhattisgarh Energy Ltd., Skip House, 25/1, Museum Road, Bangalore, Karnataka-560 025
34. Managing Director, Jaippee Nigrie Super Thermal Power Project,

Nigri District, Singrauli,  
Madhya Pradesh-486 668

35. Executive Director, DCPD, OP Jindal STPP,  
PO-Tamnar, Gjarghoda Tehsil,  
Chhattisgarh District-Raigarh, 496107

36. Station Director, Nuclear Power Corporation of India Ltd.,  
Kakrapara Atomic Power Station, PO-via Vyara, Dist-Surat,  
Gujarat-395 651

37. Station Director, Tarapur Atomic Power Station 1 & 2,  
Nuclear Power Corporation of India Ltd., P.O. TAPP, Thane (Dist),  
Maharashtra-401 504

38. Station Director, Tarapur Atomic Power Station 3 & 4,  
Nuclear Power Corporation of India Ltd., P.O. TAPP, Thane (Dist),  
Maharashtra-401 504

39. Managing Director, Korba West Power Co. Ltd.,  
Village-Chhote Bhandar, P.O.-Bade Bhandar, Tehsil-Pussore, Dist-Raigarh,  
Chhattisgarh Raigarh 496 100

40. Managing Director, KSK Mahanadhi,  
8-2-293/82/A/431/A, Road No. 22 Jubilee Hills,  
Andhra Pradesh Hyderabad-500 033

41. General Manager (Comml), Lanco Power Ltd.,  
Plot No.-397, Phase-III, Udyog Vihar,  
Haryana Gurgaon-122 016

42. General Manager, NTPC-SAIL Power Company Pvt. Ltd.,  
Puranena Village, Chhattisgarh Dist-Durg,  
Bhilai-490 021

43. General Manager, Ratnagiri Gas & Power Pvt. Ltd.,  
2<sup>nd</sup> Floor, Block-2, IGL Complex, Sector-126, Express-way, Noida,  
Uttar Pradesh-201 304

44. Managing Director, Sasan Power Ltd.,

DAKC, I Block, 2<sup>nd</sup> Floor, North Wing, Thane Belapur Road,  
Koparkhairana Maharashtra New Mumbai- 400 710

45. Member (Power), Narmada Control Authority,  
Narmada Sadan, Sector-B, Scheme No. 74, Vijaynagar, Indore,  
Madhya Pradesh-452 010 (Mobile: 9978934846)

46. Managing Director, Vandana Vidyut Bhawan,  
M.G. Road Chattisgarh Raipur-492 001

47. CEO, MB Power (Madhya Pradesh) Ltd.,  
Corporate Office: 239, Okhla Industrial Estate Phase-III,  
New Delhi-110 020 (Tel: 011-47624100)

48. Chief General Manager, RKM Powergen Pvt. Ltd.,  
Village: Uchpinda, PO: Dhurkot, Dist: Janjgir-Champa,  
Chhattisgarh-495 692

49. Head (Commercial), Jhabua Power Ltd.,  
Village-Barella, Pst-Attaria, Tahsil-Ghansor, Dist-Seoni,  
Madhya Pradesh-480 997

50. Head (Commercial), Dhariwal Infrastructure Ltd.,  
CESC House, Chowringhee Square,  
Kolkata-700 001

51. Head (Commercial), SKS Power Generation Chhattisgarh Ltd.,  
501 B, Elegant Business Park, Andheri Kurla Road, JB Nagar, Andheri (East),  
Mumbai-400 059 (Mob: 07389939063)

52. General Manager/Plant Head, NTPC Ltd.,  
Solapur Super Thermal Power Station,  
PO: Hotgi Station Taluka: South Solapur, Dist: Solapur,  
Maharashtra-413 003

53. Sr. Vice President (Power), M/s. TRN Energy Pvt. Ltd.,  
18, Vasant Enclave, Rao Tula Ram Marg,  
New Delhi-110 057

54. General Manager, Power Grid Corpn. of India Ltd.,  
Western Region-I Headquarters, PO-Uppalwadi, Sampritinagar, Nagpur,  
Maharashtra-440 026

55. Managing Director, ESSAR Power Transmission Co. Ltd.,  
A05, Sector-3, Gautam Buddha Nagar, Uttar Pradesh,  
Noida-201 301

56. Executive Director, Jindal Power Ltd.,  
OP Jindal STPP, OP Jindal STPS, PO-Tamnar,  
Chhattisgarh Dist-Raigarh, 496 107
57. Executive Director, Torrent Power Grid Ltd.,  
Torrent House, Off Ashram road,  
Gujarat Ahmedabad-380 009
58. Vice President, Western Region Transmission (Gujarat) Pvt. Ltd.,  
12th Floor, Building No.-10-B, DLF, Cyber City,  
Haryana Gurgaon-122 002
59. Vice President, Western Region Transmission (Maharashtra) Pvt. Ltd.,  
12th Floor, Building No.-10-B, DLF, Cyber City,  
Haryana Gurgaon-122 002
60. General Manager (Comml), Adani Power Ltd. Achalraj,  
Opp. Mayor Bungalow, Law Garden, Ahmedabad,  
Gujarat-380 006
61. Head (Commercial), Bhopal Dhule Transmission Company Ltd.,  
C-2, Mitra Corporate Suite, Iswar Nagar, Mathura Road,  
New Delhi-110 065
62. Head (Commercial), Raichur Solapur Power Transmission Company Ltd.,  
Patel Estate, SV Road, Jogeshwari West,  
Mumbai-400 102
63. Head (Commercial), Jabalpur Transmission Company Ltd.,  
Tower-B, 1st Floor, Logix Techno Park, Sector-127, Noida,  
Uttar Pradesh-201 301

**Parties present:**

Shri KVS Baba, POSOCO  
Shri Aditya P. Das, WRLDC  
Shri V. Balaji, SRLDC  
Shri M.K. Gupta, SRLDC  
Shri H.K. Chawla, NRLDC  
Shri Rajib Sutradhar, NERLDC  
Shri Manas Das, ERLDC  
Ms. Abiha Zaidi, POSOCO

## ORDER

The petitioner, Western Regional Load Despatch Centre (WRLDC), has filed the present petition under sub-section (4) of Section 28 of Electricity Act 2003 read with Regulations 6 and 29 of Central Electricity Regulatory Commission (Fees and Charges of Regional Load Despatch Centre and other related matters) Regulations, 2015 (hereinafter referred to as "Fees and Charges Regulations") for approval of Performance Linked Incentive (PLI) for WRLDC for the financial year 2014-15.

2. Brief facts of the case leading to the filing of the petition and subsequent developments after the filing of the petition are capitulated as under:

(a) The petitioner, Western Regional Load Despatch Centre (WRLDC) set up under Section 27 of the Electricity Act, 2003 performs functions specified in Section 28 of the Electricity Act, 2003, Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010. NLDC and RLDCs are operated by Power System Operation Corporation Limited (POSOCO) w.e.f 1.10.2016.

(b) As per Regulation 29 (1) to 29 (3) of the Fees and Charges Regulations, the recovery of Performance Linked Incentive (PLI) by NLDC and RLDCs is based on the achievement of Key Performance Indicators (KPIs) as specified in Appendix V in the Fees and Charges Regulations or other such parameters as specified by the Commission.



(c) As per Regulation 29 (6) of the Fees and Charges Regulations, RLDCs or NLDC are required to compute the KPIs on annual basis for the previous year ending 31st March and to submit them to the Commission for approval as per Appendix-V and VI of Fees and Charges Regulations.

(d) As per methodology specified in Appendix-V of the Fees & Charges Regulations 2015, the KPI score for WRLDC has been computed as under.

SI. No.	Key Performance Indicators	Weightage	(2014-15)
1	Reporting of Interconnection meter error	10	10
2	Reporting of Grid Incidents and Grid	10	10
3	Average processing time of shut down	10	10
4	Availability of SCADA System	10	10
5	Voltage Deviation Index (VDI)	10	10
6	Frequency Deviation Index (FDI)	10	10
7	Reporting of System Reliability	10	6.67
8	Availability of Website	10	10
9	Availability of Standby Supply	5	5
10	Variance of Capital expenditure	5	5
11	Variance of Non Capital expenditure	5	5
12	Percentage of Certified Employee	5	5
	<b>Total</b>	<b>100</b>	<b>96.67</b>

(e) As per the methodology provided in the Regulation 29(5) of the Fees and Charges Regulations, WRLDC shall be allowed to recover 7% of annual charges for aggregate performance level of 85% for three years commencing from 1.4.2014. The incentive shall increase by 1% of annual charges for every 5% increase of performance level above 90%. Accordingly, recovery of Performance Linked Incentive comes at 8.334% (For the range of 85-90% of performance, an incentive of 7%, for the range of 90-95%, additional incentive of 1% and for the

balance range of 95% to 96.67%, an additional incentive of 0.31%) of the Annual charges for the year 2014-15.

3. Against the above background, the petitioner has filed the present petition with the following prayers:

“(a) Approve the charges for WRLDC, for control period 1.4.2014 to 31.03.2019 proposed vide affidavit dated 15.10.2015.

(b) Approve the proposed performance linked incentive based on the KPIs computed by WRLDC for the year ending 31.03.2015 given at para 6, the KPI score given at para 7 and PRP percentage of Annual Charges of the year 2014-15 as per para 8 above.

(c) Allow the Applicant to recover incentive from the users for the year 2014-15 as approved by the Hon'ble Commission.

(d) Pass such other order as the Hon'ble Commission deems fit and appropriate in this case and in the interest of justice.”

4. The matter was heard on 6.5.2016 and notices were issued to the respondents to file their replies. No reply has been filed by the respondent despite notice.

5. The petitioner, vide ROP for the hearing dated 26.5.2016, was directed to file the following information:

(a) Elaborate rationale to arrive at the formula for calculation of marks for various KPIs for year 2014-15.

(b) Whether the petitioner intimated concerned utilities regarding interconnection meter error covered under KPI-1? If yes, provide details?

(c) Whether the petitioner reported each incident of grid disturbance to the Commission. If yes, provide details?

(d) According to the petitioner, 26 hours is the time allowed to NLDC and 50 hours

(including NLDC time) to RLDC for approval of the shutdown requests. The basis of considering these hours may be submitted.

- (e) With regard to voltage deviation index, whether petitioner intimated to concerned utilities for corrective action. If yes, provide details?
- (f) With regard to KPI-7 (Reporting of system reliability) the petitioner at Annexure-VII has mentioned that reporting of angle difference between important buses (to be reported to CERC) is not applicable. Clarify the same and reasons for not reporting to the Commission may be explained.
- (g) Regarding KPI-10 the formulae proposed by the petitioner may be reviewed since it is not taking absolute value of % variation.
- (h) Details of Productivity Linked Incentive (PLI) claims. In case of discrepancy with the figures in respective Fee and Charges, the reasons of the same may be explained.

6. The petitioner vide its affidavit dated 8.6.2016 has submitted the information called for.

7. The present petition has been filed under Regulations 6 and 29 of the Fees Charges Regulations. Regulations 6 and 29 are extracted as under :

“6. Application for determination of fees and charges:

(1) The RLDCs and NLDC shall make application in the formats annexed as Appendix I to these regulations within 180 days from the date of notification of these Regulations, for determination of fees and charges for the control period, based on capital expenditure incurred and duly certified by the auditor as on 1.4.2014 and projected to be incurred during the control period based on the CAPEX and the REPEX.

(2) The application shall contain particulars such as source of funds, equipments proposed to be replaced, details of assets written off, and details of assets to be capitalized etc.

(3) Before making the application, the concerned RLDC or NLDC, as the case may be, shall serve a copy of the application on the users and submit proof of service along with the application. The concerned RLDC or NLDC shall also keep the complete application posted on its website till the disposal of its petition.

(4) The concerned RLDC or NLDC, as the case may be, shall within 7 days after making the application, publish a notice of the application in at least two daily newspapers, one in English language and one in Indian modern language, having circulation in each of the States or Union Territories where the users are situated, in the same language as of the daily newspaper in which the notice of the application is published, in the formats given in Appendix II to these regulations.

(5) The concerned RLDC or NLDC, as the case may be, shall be allowed the fees and charges by the Commission based on the capital expenditure incurred as on 1.4.2014 and projected to be incurred during control period on the basis of CAPEX and REPEX duly certified by the auditor in accordance with these Regulations: Provided that the application shall contain details of underlying assumptions and justification for the capital expenditure incurred and the expenditure proposed to be incurred in accordance with the CAPEX and REPEX.

(6) If the application is inadequate in any respect as required under Appendix-I of these regulations, the application shall be returned to the concerned RLDC or NLDC for resubmission of the petition within one month after rectifying the deficiencies as may be pointed out by the staff of the Commission.

(7) If the information furnished in the petition is in accordance with the regulations and is adequate for carrying out prudence check of the claims made the Commission shall consider the suggestions and objections, if any, received from the respondents and any other person including the consumers or consumer associations. The Commission shall issue order determining the fees and charges order after hearing the petitioner, the respondents and any other person permitted by the Commission.

(8) During pendency of the application, the applicant shall continue to bill the users on the basis of fees and charges approved by the Commission during previous control period and applicable as on 31.3.2014, for the period starting from 1.4.2014 till approval of the Fees and Charges by the Commission, in accordance with these Regulations.

(9) After expiry of the control period, the applicant shall continue to bill the users on the basis of fees and charges approved by the Commission and applicable as on 31.3.2019 for the period starting from 1.4.2019 till approval of fees and charges under the applicable regulations.

“29. Performance linked incentive to RLDCs and NLDC:

(1) Recovery of incentive by the Regional Load Despatch Centre shall be based on the achievement of the Key Performance Indicators as specified in Appendix V or such other parameters as may be prescribed by the Commission.

(2) Each Regional Load Despatch Centre shall submit its actual performance against each of the key performance indicators to the Commission on annual basis as per the format specified in Appendix V.

(3) NLDC shall submit the details in regards to each Key Performance Indicator in the format specified in Appendix V along with the methodology for approval of the Commission.

(4) The Commission shall evaluate the overall performance of the RLDCs or NLDC, as the case may be, on the basis of weightage specified in Appendix V. The Commission, if required, may seek advice of the Central Electricity Authority for evaluation of the performance of system operator.

(5) The RLDCs or NLDC, as the case may be, shall be allowed to recover incentive of 7% of annual charges for aggregate performance level of 85% for three years commencing from 1.4.2014 and for aggregate performance level of 90% from 1.4.2017. The incentive shall increase by 1% of annual charges for every 5% increase of performance level above 90%: Provided that incentive shall be reduced by 1% of annual charges on prorata basis for the every 3% decrease in performance level below 85%.

(6) The RLDCs or NLDC, as the case may be, shall compute the Key Performance Indicators on annual basis for the previous year ending on 31st March and submit to the Commission along with petitions for approval of the Commission as per Appendix V and Appendix VI of these Regulations: Provided that the key performance indicators of previous year ending on 31st March shall be considered to recover incentive on each year and shall be trued up at the end of the control period.”

8. The Key performance Indicators (KPIs) have been specified in Appendix V of the Fees and Charges Regulations. The commission may also specify such other parameters.

9. In the light of above provisions, we have examined petitioner’s claim for PLI. The petitioner vide its affidavit dated 8.6.2016 has submitted that the commission has notified the various performance indicators and their weightage for determination of fees

and charges in the Fees and Charges Regulations and performance on these KPIs has been quantified to make it measurable. The petitioner vide its affidavit dated 8.6.2016 has submitted the KPI-wise details :

**(a) KPI-1: Reporting of Inter-connection metering error:** The meter readings are processed on weekly basis and an error could only be detected after processing the same and after going through the validation process. RLDCs are reporting the meter errors on weekly basis. These are made available on web sites as per the provisions of the Fees and Charges Regulations. Hence the possible no. of reports in a year is 52 which have been converted to percentage based on the actual reporting. Percentage performance has been proportionately converted to marks scored.

**(b) KPI -2: Reporting of Grid Incidents and Grid Disturbance:** The Grid Incidents and Grid disturbances are compiled on monthly basis and the same is sent to NLDC for further compilation on National basis for further reporting to CERC on consolidated basis. As the reporting on Grid incidences and Grid disturbances is generated on monthly basis, target reports to be generated have been considered to be 12. Percentage performance has been measured based on the actual number of reports generated, which has been proportionately converted to marks scored.

**(c) KPI-3: Average processing time of shut down request (RLDC/NLDC):** The shut down process, uniform across all the RLDCs, has been discussed and approved at RPC level. Time allowed to NLDC for approval of the shut-down requests is 26 hours and RLDCs is 50 hours (including NLDC Time). This methodology has been devised considering primarily the planned outages approved

in the monthly OCC meetings of RPCs which are processed by RLDCs on D-3 basis (3-day ahead of actual day of outage) based on confirmation from the shutdown requesting agency & then prevailing grid conditions. RLDCs after processing the shut down requests at regional level forward the list to NLDC for impact assessment at national level. After clearance from NLDC, the final list of cleared shut down requests is intimated by respective RLDCs to the requesting agencies on D-1 (i.e. one day ahead of the proposed date of outage). As per the formula used for calculating KPI score for this parameter, performance will be considered 100%, if the time taken for processing shut down requests is less than the prescribed time i.e. 26 hours for NLDC and 50 hours for RLDCs. If the time taken is more than the prescribed time, then the performance will come down in the same proportion e.g. if the time taken in processing the request is more than 5% of the prescribed time then the percentage performance will be 95%. Percentage performance has been proportionately converted to marks scored.

**(d) KPI-4: Availability of SCADA, KPI-8: Availability of website and KPI 9- Availability of Standby Power Supply:** Month-wise percentage availability has been calculated. Then, percentage average availability of 12 months has been proportionately converted to marks scored.

**(e) KPI-5: Voltage Deviation Index (VDI), KPI-6: Frequency Deviation Index (FDI), KPI 7- Reporting of System Reliability:** The deviation indices are being reported on daily basis for the critical nodes along with weekly and monthly as per Regulation. The possible no. of reports which could be generated (365 for daily, 52

for weekly and 12 for monthly) has been converted to KPI scores based on the actual reporting.

(f) **KPI 10: Variance of Capital expenditure, KPI 11: Variance of Capital expenditure:** The figures (capital and non-capital) indicated in the Fees and Charges Petitions for the control period 2014-19 have been considered as targets and the figures as per the balance sheet have been taken as actual performance. Limit of up to 10% variation has been considered for claiming 100% performance and for any additional 3% variation beyond initial 10%, performance shall decrease by 1% in line with the methodology of the Incentive calculation prescribed in the Regulation 29 (5) of the RLDC Fees and Charges Regulations. Percentage performance has been proportionately converted to marks scored.

(g) **KPI 12: Percentage of certified employees:** The target percentage of the certification is 85% of the eligible candidate has been assumed for calculating the KPI score. The actual achievement has been calculated against the target and the same has been converted to the KPI score.

10. The parameter-wise submissions made by the petitioner have been examined and dealt with in the succeeding paragraphs:

**A. Inter-connection meter Error (Parameter 1)**

11. The total weightage given for this parameter is 10 .The petitioner submitted the details as under :

Performance during FY 2014-15 (In percentage) A* =	100
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Marks scored(In proportion of the percentage performance above)	10
*Formula for performance calculation	(No. of weekly reports issued /52 (Total no. of Weeks))*100

12. Regulation 2.3.2 of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 (Grid Code) provides as under :

“2.3.2 The following are contemplated as exclusive functions of RLDCs

- (a) System operation and control including inter-state transfer of power, covering contingency analysis and operational planning on real time basis;
- (b) Scheduling / re-scheduling of generation;
- (c) System restoration following grid disturbances;
- (d) Metering and data collection;
- (e) Compiling and furnishing data pertaining to system operation;
- (f) Operation of regional UI pool account, regional reactive energy account and Congestion Charge Account, provided that such functions will be undertaken by any entity(ies) other than RLDCs if the Commission so directs.
- (g) Operation of ancillary services”

13. As per the above provisions, RLDCs are responsible for metering and data collection meter and compiling and furnishing data pertaining to system operation. Accordingly, problems related to meters including those installed at inter-regional/international tie points are reported by RLDCs concerned to the utilities for corrective action. The petitioner vide Record of Proceedings for the hearing dated 26.5.2016 was directed to explain as to whether it intimated concerned utilities regarding inter-connection meter error covered under KPI-1 and provide details thereof. The petitioner vide its affidavit dated 8.6.2016 has submitted that as per Regulation 6.4.22 of the Grid Code, computations on metering data are to be made available to the regional entities

for checking/verifications for a period of 15 days. Accordingly, the data on inter-connection meter error is made available in Public Domain on regular basis for checking/verifications of regional entities. The petitioner has submitted that information regarding inter-connection meter error is published on WRLDC website, i.e. [http://wrldc.com/Commercial/SEM\\_Discrepancy/](http://wrldc.com/Commercial/SEM_Discrepancy/) on a weekly basis. The petitioner has submitted that the discrepancy reports are discussed in detail in the different forum at RPC level.

14. The petitioner has submitted that the discrepancy reports are discussed in detail in the different fora at RPC level. The petitioner has place on record the minutes of the meetings of various RLDCs. Since, the petitioner has complied with the provision of the Regulation 6.4.22 of the Grid Code, the claims of the petitioner for weightage factor for reporting of inter-connection meter error are allowed for the purpose of incentive.

**B. Reporting of grid incidents and grid disturbances (Parameter 2).**

15. The petitioner has submitted that as against the total weightage of 10 for the parameter of reporting of grid incidents and grid disturbance, actual incidents of such events during the financial year 2014-15 are as under:

<b>Grid Incidents and Grid Disturbance for FY 2014-15 (WRLDC)</b>			
Category	Count(Nos)	Recovery period	Loss of Energy (MUs)
GI-1	25	16:04	0.4086
GI-1	46	175:31	0.5250
GD-1	51	91:10	34.8458
GD-2	0	0:00	0.00
GD-3	0	0:00	0.00
GD-4	0	0:00	0.00

GD-5	0	0:00	0.00
<b>All</b>	<b>122</b>	<b>2:23</b>	<b>0.29</b>

16. The petitioner has submitted performance-wise details as under:

Performance during FY 2014-15 (In percentage) * =	100
Marks scored (In proportion of the percentage performance above)	10
<b>*Formula for performance calculation :</b>	(No. of monthly reports issued /12 )*100

17. The petitioner was directed to submit the details of each incident of grid disturbance reported. The petitioner vide its affidavit dated 8.6.2016 has submitted that the incidences of grid disturbance/incidences are being reported by the various Regional Load Despatch Center to National Load Despatch Center on a monthly basis which are thereafter complied and are independently verified by National Load Despatch Center and reported to the Commission on monthly basis as a part of monthly operational report being issued by National Load Despatch Center in accordance with the Grid Code. The petitioner has submitted the details for the report for the Financial Year 2014 -15 as under:

<b>Sl. No.</b>	<b>Month</b>	<b>Date of Reporting</b>
1	April 2014	23rd May 2014
2	May 2014	24th June 2014
3	June 2014	23rd July 2014
4	July 2014	26 <sup>th</sup> August 2014
5	August 2014	26th September 2014
6	September 2014	23rd October 2014
7	October 2014	21st November 2014
8	November 2014	23rd December 2014
9	December 2014	22nd January 2015
10	January 2015	26th February 2015
11	February 2015	23rd March 2015
12	March 2015	23rd April 2015

18. We have considered the submission of the petitioner. Perusal of the above reveals that the petitioner is reporting incident of grid disturbance each month to the Commission. As per our direction, the petitioner has placed on record the details of reporting to the Commission. Accordingly, the weightage for reporting of grid incidents and grid disturbance is considered as 10 out of 10.

**C. Average processing time of shut down request (Parameter 3):**

19. The total weightage for the parameter “average processing time of shut down request” is 10. The petitioner has submitted average processing time of shut down request during the financial year 2014-15 as under:

S.No.	Month	Total No of shutdown request in a month (B)	Total time (hrs) taken to approve the shutdown in a month(A)	Total time(hrs) taken to approve the shutdown in a month/Total No of shutdown requests in a month(C=A/B)
1	Apr'14	765	32551	43
2	May'14	924	39709	43
3	June'14	1181	51259	43
4	July'14	1522	62639	41
5	Aug'14	1255	53422	43
6	Sep'14	1620	67208	41
7	Oct'14	1849	76319	41
8	Nov'14	1293	52780	41
9	Dec`14	1330	58284	44
10	Jan`15	1232	52218	42
11	Feb`15	1116	47128	42
12	Mar`15	1325	55273	42
	Total	15412	648788	42

20. The petitioner has further submitted that the total time allowed to NLDC and RLDCs for approval of the shutdown requests are 26 hours and 50 hours (including NLDC Time) respectively.

## For WRLDC

Performance during FY 2014-15 (In percentage)	38.09
Marks scored (In proportion of the percentage performance above)	3.81
* Formula for performance calculation	$IF((A-B*26)>0,(1-(A-B*26)/(B*26))*100,100)$

21. The petitioner was directed to explain the basis of considering 26 hour allowed to NLDC and 50 hours (including NLDC time) allowed to RLDC for approval of the shutdown requests. The petitioner vide its affidavit dated 8.6.2016 has submitted that the procedure to streamline the process of transmission outage coordination between SLDCs, RLDCs, NLDC, RPCs and Indenting Agencies was developed by NLDC in 2015 and approved in OCC fora. As per the approved process, RLDC approves the shutdown requests of inter-State transmission lines and NLDC approves the shut down requests for inter-regional and all 765 KV transmission lines. Therefore, RLDC consults NLDC for approval of outage requests. Relevant extracts of NRPC approved procedure is reproduced below:

“7.1. Request for outages which are approved by OCC must be sent by the indenting agency of the transmission asset at least 3 days in advance to respective RLDC by 1000 hours as per Format II. (For example, if an outage is to be availed on say 10th of the month, the indenting agency would forward such requests to the concerned RLDC on 7th of the month by 1000 hours.)

### 7.3. Approval of Outage where Approving Authority is NLDC:

7.3.1. NRLDC shall forward the request for shutdown along with their consent and observation as per Format-III to NLDC/other concerned RLDCs with clear observations regarding possible constraints / contingency plan and consent including study results by 1000 hours of D-2 day. Other concerned RLDCs would forward their observations/ consent/reservations by 1600 hours of D-2.

7.3.2. NLDC shall approve the outage along with the clear precautions/measures to be observed during the shutdown and inform all concerned RLDCs.

7.3.3. The proposed outages shall be reviewed on day ahead basis depending upon the system conditions and the outages shall be approved/refused latest by 1200 Hrs of D-1 day. A suggested format for approval/refusal of outage is enclosed as Format IV.”

22. The petitioner has submitted that as per the above procedure, total time allowed for approval of the shutdown requests to RLDCs including NLDC is 50 hours (1000 hrs of D-3 to 1200 hrs of D-1). Out of these 50 hours, time allowed to NLDC is 26 hours (1000 hrs of D-2 to 1200 hrs of D-1).

23. We have considered the submission of the petitioner. In accordance with the Appendix VI of the Fees and Charges Regulations, weightage for average processing time of shut down request has been considered as 10 out of 10.

**D. Availability of SCADA (Parameter 4):**

24. The total weightage for this parameter is 10. The petitioner has submitted average processing time of shut down requests during the financial year 2014-15 as under:

S.No.	Month	% Availability
1	Apr'14	100
2	May'14	100
3	June'14	100
4	July'14	100
5	Aug'14	100
6	Sep'14	99.91
7	Oct'14	100
8	Nov'14	100
9	Dec'14	99.98
10	Jan'15	100
11	Feb'15	99.9
12	Mar'15	100
	<b>Average of 12 months</b>	<b>99.99</b>

Performance during FY 2014-15*	<b>99.99</b>
Marks scored (In proportion of the percentage performance above)	<b>10.00</b>
* Average of 12 months	

25. We have considered the submissions of the petitioner. We have worked out the average of 12 months as  $(100+100+100+100+100+100+100+100+100+99.72+100+100)/12=99.99$ . Accordingly, the marks scored for availability of SCADA have been considered as 9.999 out of 10.

**E. Voltage Deviation Index (Parameter 5):**

26. The total weightage for the parameter Voltage Deviation Index (VDI) is 10. The petitioner has submitted voltage deviation index (VDI) as under:

<b>Name of the Region: WRLDC</b>				
<b>S. No.</b>	<b>Name of the 400/765 kV SS</b>	<b>Intimation to utilities through Daily reports for corrective action or not</b>	<b>Intimation to utilities through weekly reports for corrective action or not</b>	<b>Intimation to utilities through monthly reports for corrective action or not</b>
1	400 kV Indore-MP	Yes	Yes	Yes
2	400 kV Itarsi	Yes	Yes	Yes
3	400 kV Bhopal	Yes	Yes	Yes
4	400 kV karad	Yes	Yes	Yes
5	400 kV Dhule	Yes	Yes	Yes
6	400 kV Asoj	Yes	Yes	Yes
7	400 kV kasor	Yes	Yes	Yes
8	400 kV Bhilai	Yes	Yes	Yes
9	400 kV Jetpur	Yes	Yes	Yes
10	400 kV Gwalior	Yes	Yes	Yes
11	400 kV Nagada	Yes	Yes	Yes
12	400 kV Khandwa	Yes	Yes	Yes
13	400 kV Damoh	Yes	Yes	Yes

14	400 kV Raipur	Yes	Yes	Yes
15	400 kV Raigarh	Yes	Yes	Yes
16	400 kV Parli-PG	Yes	Yes	Yes
17	400 kV Amerli	Yes	Yes	Yes
18	765kV Sipat	Yes	Yes	Yes
19	765 kV Seoni	Yes	Yes	Yes
20	765 kV Gwalior	Yes	Yes	Yes
21	765 kV Bina	Yes	Yes	Yes
22	765 kV Sasan	Yes	Yes	Yes
23	765 kV Indore	Yes	Yes	Yes
24	765 kV Satna	Yes	Yes	Yes

27. According to the petitioner, VDIs of important sub-stations are being calculated and reported on daily basis and are also being hosted on websites by RLDCs which is thereafter compiled at NLDC and circulated internally. Similarly, RLDCs are also calculating and reporting VDIs on their websites as part of their weekly reports. The petitioner has further submitted that NLDC also independently calculates and reports VDIs of important sub-stations on a monthly basis which is available on website as part of monthly report. The petitioner has submitted that persistent problems of low/high voltage are identified in the quarterly operational feedback submitted to CTU and CEA.

Performance during FY 2014-15*	<b>100</b>
Marks scored (In proportion of the percentage performance above)	<b>10</b>
* Formula for performance calculation	$\left( \left( \frac{\text{No. of daily reports issued (to be derived from column C)}}{364(\text{Total no. of days in FY 2014-15})} * 100 \right) + \left( \frac{\text{No. of weekly reports issued (to be derived from column D)}}{52(\text{Total no. of weeks in FY 2014-15})} * 100 \right) + \left( \frac{\text{No. of monthly reports issued (to be derived from column E)}}{12} * 100 \right) \right) / 3$



28. The petitioner was directed to clarify whether the petitioner had intimated to concerned utilities for corrective action, if any, with regard to voltage deviation index. The petitioner vide its affidavit dated 8.6.2016 has submitted that Clause 2.2.4.6 of the NLDC Operating Procedure, 2015 provides the corrective actions to be taken in the event of voltage going high and low. The relevant extract of the Clause 2.2.4.6 of the NLDC Operating Procedure, 2015 is extracted as under:

“2.2.4.6 Following corrective measures shall be taken in the event of voltage going high / low:-

i) In the event of high voltage (when the bus voltage going above 410 kV), following specific steps would be taken by the respective grid substation/generating station at their own, unless specifically mentioned by NLDC/RLDC/SLDCs.

a. The bus reactor is switched in

b. The manually switchable capacitor banks is taken out

c. The switchable line/tertiary reactor or convertible line reactor ( if the line kept open for High voltage) wherever possible are taken in. Optimize the filter banks at HVDC terminal

e. All the generating units on bar shall absorb reactive power within the capability curve

f. Operate synchronous condensers wherever available for VAR absorption

g. Operate hydro generator / gas turbine as synchronous condenser for VAR absorption wherever such facilities are available

h. Bring down power flow on HVDC terminals so that loading on parallel EHVAC network goes up, resulting in drop in voltage.

i. Open lightly loaded lines in consultation with RLDC/SLDC for ensuring security of the balanced network. To the extent possible, it must be ensured that no loop of transmission lines is broken due to opening of lines to control the high voltage.

ii) In the event of low voltage (when the bus voltage going down below 390kV), following specific steps would be taken by the respective grid substation/generating station at their own, unless specifically mentioned by NLDC/RLDC/SLDCs.

a. Close the lines which were opened to control high voltage in consultation with RLDC/SLDC.

b. The bus reactor is switched out

c. The manually switchable capacitor banks are switched in.

d. The switchable line/tertiary reactor are taken out

e. Optimize the filter banks at HVDC terminal

f. All the generating units on bar shall generate reactive power within capability curve.

- g. Operate synchronous condenser for VAR generation
- h. Operate hydro generator / gas turbine as synchronous condenser for VAR generation wherever such facilities are available
- i. Increase power flow on HVDC terminals so that loading on parallel Extra High Voltage (EHV) network goes down resulting in rise in voltage.”

29. The petitioner has submitted that the corrective actions are being taken in Real Time Grid Conditions, by NLDC at 765 kV and inter-Regional level by opening /closing shunt reactors, transmission lines, etc. and by RLDCs for other inter-State system. The petitioner has submitted that for voltage deviations taking place in/resulting from intra-State system, RLDCs write regularly to the constituents and also discuss in the OCC meetings. The petitioner has placed on record the extracts from OCC meetings of RPCs, sample letters from RLDCs stating sustained voltage deviation and suggested corrective action. The petitioner submitted that apart from these, persistent high voltage and low voltage are being reported in the NLDC Operational feedback every quarter. Link for NLDC operational feedback for the quarter Jan'16-Mar'16 quarter is [http://posoco.in/WebsiteData/Documents/OperationalFeedback/NLDC%20Operational%20Feedback\\_April\\_2016\\_Q4.pdf](http://posoco.in/WebsiteData/Documents/OperationalFeedback/NLDC%20Operational%20Feedback_April_2016_Q4.pdf). According to the petitioner, nodes experiencing low/high voltage are listed on page no. 26-27,43-46,63-64,80-83,103-110 in the Jan'16-Mar'16 Operational Feedback and this information is being discussed in Standing Committee on Power System Planning of different regions with all the stakeholders. The petitioner has submitted that corrective actions are also discussed in Standing Committee Meetings and OCC meetings.

30. We have considered the submission of the petitioner. As per Regulation 29 (6) of the Fees and Charges Regulations, RLDCs or NLDC are required to compute the KPI

on annual basis for the previous year ending on 31st March and are required to submit the same to the Commission for approval. The petitioner has computed the KPI on annual basis. Accordingly, as per Appendix VI of the Fees and Charges Regulations, the weightage for Voltage Deviation Index (VDI) is allowed.

#### **F. Frequency Deviation Index (Parameter 6)**

31. The total weightage for the parameter Frequency Deviation Index (FDI) is 10. The petitioner has submitted FDI during 2014-15 as under:

S.No.	Month	Intimation to utilities through Daily reports for corrective action or not	Intimation to utilities through weekly reports for corrective action or not	Intimation to utilities through monthly reports for corrective action or not
1	Apr'14	Yes	Yes	Yes
2	May'14	Yes	Yes	Yes
3	June'14	Yes	Yes	Yes
4	July'14	Yes	Yes	Yes
5	Aug'14	Yes	Yes	Yes
6	Sep'14	Yes	Yes	Yes
7	Oct'14	Yes	Yes	Yes
8	Nov'14	Yes	Yes	Yes
9	Dec'14	Yes	Yes	Yes
10	Jan'15	Yes	Yes	Yes
11	Feb'15	Yes	Yes	Yes
12	Mar'15	Yes	Yes	Yes

Performance during FY 2014-15*	<b>100</b>
Marks scored (In proportion of the percentage performance above)	<b>10</b>
* Formula for performance calculation	$\frac{(((\text{No. of daily reports issued (to be derived from column C/364}(\text{Total no.of days in FY 2014-15})) * 100) + (\text{No.of weekly reports issued (to be derived from column D) 5 (Total no. of weeks in FY 2014-15)) * 100) + (\text{No. of monthly reports issued (to be derived from column E/12) * 100}))}{3}}$

32. We have considered the submission of the petitioner. FDIs submitted by the petitioner are found to be in order. Accordingly, weightage for FDI has been allowed as per Appendix VI of the Fees and Charges Regulations.

**G. Reporting of System Reliability (Parameter 7):**

33. The total weightage for this parameter Reporting of System Reliability (RSR) is 10.

The petitioner has submitted the following report of system reliability:

(a) Reporting of (N-1) violations (to be reported to CERC)

S.No.	Month	Intimation to utilities through daily reports for corrective action or not	Intimation to utilities through weekly reports for corrective action or not	Intimation to utilities through monthly reports for corrective action or not
A	B	C	D	E
1	Apr'14	Yes	Yes	Yes
2	May'14	Yes	Yes	Yes
3	June'14	Yes	Yes	Yes
4	July'14	Yes	Yes	Yes
5	Aug'14	Yes	Yes	Yes
6	Sep'14	Yes	Yes	Yes
7	Oct'14	Yes	Yes	Yes
8	Nov'14	Yes	Yes	Yes
9	Dec'14	Yes	Yes	Yes
10	Jan'15	Yes	Yes	Yes
11	Feb'15	Yes	Yes	Yes
12	Mar'15	Yes	Yes	Yes

X*	<b>100</b>
*Formula	$\left( \left( \frac{\text{No. of daily reports issued (to be derived from column C)}}{364(\text{Total no. of days in FY 2014-15})} \right) * 100 + \left( \frac{\text{No. of weekly reports issued (to be derived from column D)}}{52(\text{Total no. of weeks in FY 2014-15})} \right) * 100 + \left( \frac{\text{No. of monthly reports issued (to be derived from column E)}}{12} * 100 \right) / 3 \right)$

(b) Reporting of ATC violations ( to be reported to CERC)

S.No.	Month	Intimation to utilities through Daily reports for corrective action or not	Intimation to utilities through weekly reports for corrective action or not	Intimation to utilities through monthly reports for corrective action or not
A	B	C	D	E
1	Apr'14	Yes	Yes	Yes
2	May'14	Yes	Yes	Yes
3	June'14	Yes	Yes	Yes
4	July'14	Yes	Yes	Yes
5	Aug'14	Yes	Yes	Yes
6	Sep'14	Yes	Yes	Yes
7	Oct'14	Yes	Yes	Yes
8	Nov'14	Yes	Yes	Yes
9	Dec'14	Yes	Yes	Yes
10	Jan'15	Yes	Yes	Yes
11	Feb'15	Yes	Yes	Yes
12	Mar'15	Yes	Yes	Yes

Y*	<b>100</b>
*Formula	$\left( \left( \frac{\text{No. of daily reports issued (to be derived from column C)}}{364(\text{Total no. of days in FY 2014-15})} \right) * 100 + \left( \frac{\text{No. of weekly reports issued (to be derived from column D)}}{52(\text{Total no. of weeks in FY 2014-15})} \right) * 100 + \left( \frac{\text{No. of monthly reports issued (to be derived from column E)}}{12} * 100 \right) \right) / 3$

(c) Reporting of Angle difference between important buses (to be reported to CERC)

S.No.	Month	Intimation to utilities through Daily reports for corrective action or not	Intimation to utilities through weekly reports for corrective action or not	Intimation to utilities through monthly reports for corrective action or not
A	B	C	D	E
1	Apr'14	No	No	No
2	May'14	No	No	No
3	June'14	No	No	No

4	July'14	No	No	No
5	Aug'14	No	No	No
6	Sep'14	No	No	No
7	Oct'14	No	No	No
8	Nov'14	No	No	No
9	Dec'14	No	No	No
10	Jan'15	No	No	No
11	Feb'15	No	No	No
12	Mar'15	No	No	No

<b>Z*</b>	<b>0</b>
*Formula	(( (No. of daily reports issued (to be derived from column C)/364(Total no. of days in FY 2014-15))*100)+(No. of weekly reports issued (to be derived from column D)/ 52 (Total no. of weeks in FY 2014-15))*100)+(No. of monthly reports issued (to be derived from column E)/12)*100)/3
Performance during FY 2014-15*= Marks scored (In proportion of the percentage performance above)	<b>66.67</b> <b>6.67</b>
*Formula	<b>(X+Y+Z)/3</b>

34. The petitioner was directed to submit the reasons regarding non-applicability of reporting of angle difference between important buses (to be reported to CERC) with regard to KPI-7 (Reporting of system reliability) mentioned at Annexure-VII of the petition. The petitioner vide its affidavit dated 8.6.2016 has submitted that in the petition 'Not Applicable' has been mentioned which means that the respective RLDCs have not monitored the angular difference between adjacent buses during 2014-15 period. Therefore, the score for "Reporting of Angle difference between adjacent buses" is taken as zero (0) for the period 2014-15. Due to this score for KPI No-7 (Reporting of System Reliability) has worked out to 6.67 out of 10. The petitioner has submitted that

angular differences between important buses observed through PMUs are being monitored and reported by NLDC and RLDCs from 2015-16 onwards.

35. We have considered the submission of the petitioner. Reporting of System Reliability is being done in accordance with the Appendix VI of the Fees and Charges Regulations. Accordingly, weightage claimed for reporting system reliability is allowed as 6.67 out of 10.

**H. Availability of website (Parameter 8):**

36. The total weightage for the parameter “availability of website” is 10. The petitioner has submitted the percentage of availability of website as under:

S.No.	Month	% Availability
1	Apr'14	100
2	May'14	100
3	June'14	100
4	July'14	100
5	Aug'14	100
6	Sep'14	99.89
7	Oct'14	100
8	Nov'14	100
9	Dec'14	99.87
10	Jan'15	100
11	Feb'15	100
12	Mar'15	100

Performance during FY 2014-15*	<b>99.98</b>
Marks scored (In proportion of the percentage performance above)	<b>10.00</b>
* Average of 12 months	

37. We have considered the submission of the petitioner. The petitioner is reporting availability of website as per Appendix VI of the Fees and Charges Regulations. Accordingly, the weightage claimed for availability of website is allowed.

**I. Availability of Standby power supply (Parameter 9):**

38. The total weightage for the parameter “availability of standby power” is 5. The petitioner has submitted availability of standby power supply as under:

Performance during FY 2014-15*	<b>99.99</b>
Marks scored (In proportion of the percentage performance above)	<b>5</b>
* Average of 12 months	

39. The petitioner has submitted that availability of backup power supply depends on the following sub systems: (i) Availability of UPS/Battery backup (ii) Availability of DG set. In case main power supply fails and the system does not get any power supply, the duration shall be considered as back supply failure.

40. We have considered the submission of the petitioner. The petitioner has claimed availability of standby power supply as per Appendix VI of the Fees and Charges Regulations. Accordingly, weightage claimed for availability of Standby power supply is considered as 5 out of 5.

**J. Variance of capital expenditure (Parameter 10):**

41. The total weightage for the parameter “Variance of capital expenditure” is 5. The petitioner has submitted the details of Variance of Capital Expenditure as under:



(Rs. in lakh)

Capital Expenditure funded by LDC fund but not considered for fee and charges by CERC (A)	Actual Expenditure incurred (B)	Percentage Variation $C = ((A-B)/A) * 100$
94.48	94.48	0

42. The petitioner has submitted that the amount considered in the column A above is as per the Fees and Charges Regulations for the control period 2014-19. The petitioner has submitted that in Column B, value as per balance sheet for the year 2014-15 has been considered.

Performance during FY 2014-15*	<b>100</b>
<b>*Formula</b>	<b>IF(C&gt;10,100-(C-10)/3,100)#</b>
Marks Scored (in proportion of the percentage performance above)	5
*Average of 12 months	
#Up to 10% variation, performance is proposed to be considered 100% and for any additional 3% variation beyond initial 10%, performance shall decrease by 1% in line with the methodology of the incentive calculation prescribed in the regulation 29(5) of the RLDC Fees and Charges Regulations, 2015.	

43. The petitioner was directed to review the formulae proposed regarding KPI 10 since it is not considering the absolute value of % variation. The petitioner vide its affidavit dated 8.6.2016 has submitted that limit of upto 10% variation has been considered for claiming 100% performance and for any additional 3% variation beyond initial 10%, performance shall decrease by 1% in line with the methodology of the incentive calculation prescribed in the Regulation 29(5) of the Fees and Charges Regulations. The petitioner has submitted that the intent of the formula is that 10% variation limit for claiming 100% performance is on both sides i.e. positive and negative. Similarly, for

variation of more than 10%, performance would vary in the same manner whether the variation in CAPEX utilization is positive or negative. Therefore, value of variation should be absolute value only. Accordingly, formula for percentage variation can be read as “Percentage Variation  $C=ABS ((A-B)/A)*100$ ”.

44. We have considered the submission of the petitioner. The weightage claimed for variance of Capital expenditure is provisionally considered as 5 out of 5 in terms of Appendix VI of the Fees and Charges Regulations.

**K. Variance of Non-Capital expenditure: (Parameter 11).**

45. The total weightage for the parameter “variance of non-capital expenditure” is 5. The petitioner has submitted the details of variance of non-capital expenditure as under:

(Rs.in lakh)

Non-capital expenditure allowed by CERC (A)	Actual Expenditure incurred (B)	Percentage Variation $C= ((A-B)/A)*100$
2380.99	2734.00	14.83
In the Non-Capital Expenditure, HR Expenses, O&M Expenses and Depreciation have been considered. In column A, figures as per the RLDCs fees & Charges worked out for the control period 2014-19 have been considered. In column B, value as per Balance sheet of financial year 2014-15 has been considered.		

Performance during FY 2014-15*	<b>98.39</b>
<b>*Formula</b>	<b>IF(C&gt;10,100-(C-10)/3,100)#</b>
Marks Scored (in proportion of the %age performance above)	4.92
*Average of 12 months	
# Up to 10% variation, performance is proposed to be considered 100% and for any additional 3% variation beyond initial 10%, performance shall be decrease by 1% in line with the methodology of the incentive calculation prescribed in the Regulation 29(5) of the Fees and Charges Regulations.	

46. We have considered the submission of the petitioner. The weightage claimed for variance of non-capital expenditure is allowed as 4.92 out of 5 in terms of Appendix VI of the Fees and Charges Regulations.

**L. Percentage of certified employees: (Parameter 12).**

47. The total weightage for the parameter “variance of percentage of certified employees” is 5. The petitioner has submitted the details of variance of percentage of certified employees as under:

No. of Employees for Certification as on 31.3.2015(A)	Actual No. of Employees certified as on 31.3.2015 (B)	Percentage of Employees certified as on 31.3.2015 (C=B/A*100)
42	38	90.48

Performance during FY 2014-15*	<b>100</b>
<b>*Formula</b>	<b>IF(C&gt;10,100-(C-10)/3,100)#</b>
Marks Scored (in proportion of the percentage performance above)	5
*Average of 12 months	
# Up to 85% certification, performance is proposed to be considered 100% and for certification below 85%, performance shall decrease by 1% for every 3% decrease in the certification in line with the methodology of the incentive calculation prescribed in the Regulation 29(5) of the Fees and Charges Regulations.	

48. We have considered the submission of the petitioner. As per methodology of the incentive specified in Regulation 29(5) of the Fees and Charges Regulations, for certification upto 85%, performance would be considered 100% and for certification below 85%, performance would be decreased by 1% for every 3% decrease in the certification. Accordingly, the weightage for percentage of certified employees is considered as 4.85 out of 5 as per Appendix VI of the Fees and Charges Regulations.

49. The petitioner was directed to furnish the details of Productivity Linked Incentive (PLI) claims and in case of discrepancy with the figures in respective Fee and Charges, the reasons thereof. The petitioner vide its affidavit dated 8.6.2016 has submitted that provisions for performance linked incentive have been introduced for the first time in Fees and Charges Regulations. Since, Human Resource expenses for 2014-19 have been derived from the actual expenses of 2009-14 based on the methodology specified in the Regulations, certain amount has been reflected towards PRP in the petitions, which may not be considered by the Commission and in this regard separate petitions claiming the PRP in each year of the control period 2014-19 would be filed.

50. We have considered the submission of the petitioner with regard to KPI. The following Key Performance Indicators are allowed as per the methodology specified in Appendix-V of the Fees and Charges Regulations as under:

<b>S. No</b>	<b>Key Performance Indicators</b>	<b>Weightage</b>	<b>Petitioner claimed for FY2014-15</b>	<b>Allowed</b>
1	Reporting of Interconnection meter error	10	10	10
2	Reporting of Grid Incidents and Grid	10	10	10
3	Average processing time of shut down	10	10	10
4	Availability of SCADA System	10	10	9.999
5	Voltage Deviation Index (VDI)	10	10	10
6	Frequency Deviation Index (FDI)	10	10	10
7	Reporting of System Reliability	10	6.67	6.67
8	Availability of Website	10	10	10
9	Availability of Standby Supply	5	5	5
10	Variance of Capital expenditure	5	5	5
11	Variance of Non Capital expenditure	5	5	4.92
12	Percentage of Certified Employee	5	5	4.85
	<b>Total</b>	<b>100</b>	<b>96.67</b>	<b>96.439</b>

51. As per the above table, the petitioner has achieved 96.439% Key Performance Indicators out of 100%. Accordingly, the petitioner is allowed to recover incentive of 8.318% of annual charges for the financial year 2014-15.

52. Petition No.59/MP/2016 of disposed of in terms of the above.

Sd/-	sd/-	sd/-	sd/-
<b>(Dr. M.K Iyer)</b> <b>Member</b>	<b>(A.S.Bakshi)</b> <b>Member</b>	<b>(A.K.Singhal)</b> <b>Member</b>	<b>(Gireesh B.Pradhan)</b> <b>Chairperson</b>